

Air Pollution Equipment

The air pollution equipment market in Chile is expected to grow 30% over the next three years.



Market Overview

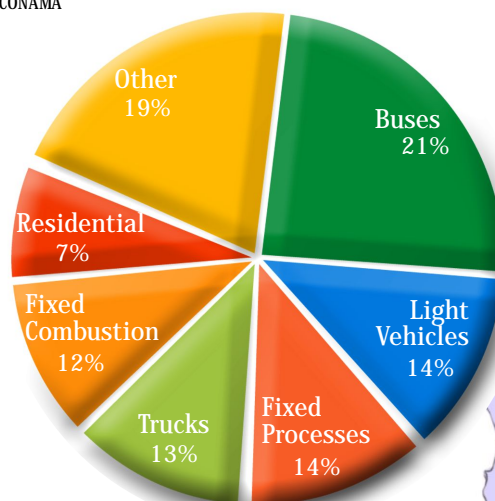
- ▶ Chile is the U.S.' largest market for mining air pollution control systems with US\$28 million of U.S. exports in 2002.
- ▶ In 1996 a Supreme Decree signed by the Chilean President established the Metropolitan Region (Santiago and its surroundings) as an air pollution saturated zone. Since then, the government has been giving incentives to private companies to invest in this sector and developed the Atmosphere Prevention and Decontamination Plan for the Metropolitan Region (PPDA), which forces factories and companies to reduce their contamination.
- ▶ Transantiago (part of the PPDA) is a decontamination plan for the Metropolitan area, elaborated by the Chilean government in order to: reduce 75% of all particulate material emitted, 40% of all nitrogen oxide, and renovate 20% of all Santiago buses by 2005, reducing the total number by 1,300. By 2010, all buses in the Metropolitan area should be replaced. The plan will continue until 2011.
- ▶ As part of the Transantiago plan, the Transportation Ministry and the National Environmental Commission (CONAMA) are promoting the use of gasoline automobiles over diesel by applying higher taxes to diesel.
- ▶ Currently, CONAMA is working on a new Environmental Bill, which will be sent to the Chilean Congress in April 2004.

U.S. Position

- ▶ Chapter X of the U.S.-Chile Free Trade Agreement, effective as of January 1, 2004, identifies eight joint environmental development projects reflecting environmental priorities and cooperation by both countries.
- ▶ Chile, with a few exceptions, does not manufacture pollution control equipment.
- ▶ U.S. products are highly regarded because of their advanced technology and quality.

Sources of Air Pollution in Santiago

Source: CONAMA



- ▶ The main decontamination plans are in the transportation and mining sectors, with some of the most important including: Transantiago, Ventanas, María Elena y Pedro de Valdivia, Chuquicamata, Fundición Hernán Videla Lira and Potrerillos among others.
- ▶ Chilean players include: SGS Chile Ltda. (environmental services), SK Ecología S.A. (environmental engineering), Siga Consultores Ltda. (environmental consulting), and Ambar S.A. (environmental consulting & engineering).

Competitors

- ▶ Japan and European countries are strong competitors offering soft loans, grants, and training.
- ▶ Like the U.S., Europe is also a major supplier of absorbers and thermal oxidation systems.

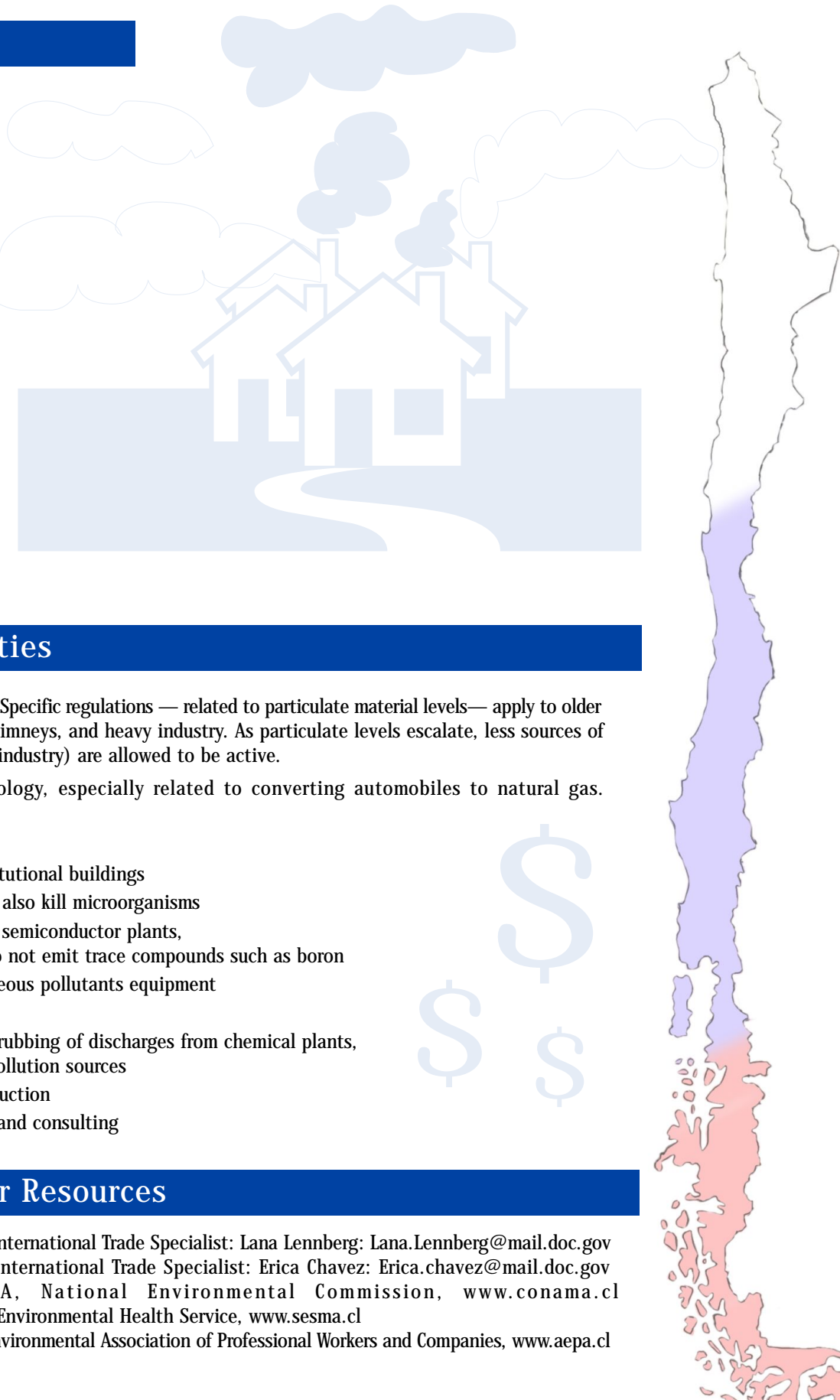
Principal Sub Sectors

► Equipment

- High Efficiency
- Thermal Oxidation
- Air Filters
- Absorbers
- Utility Nitrogen Dioxide Control
- Nitrogen Oxide Control
- Particulate Destruction

► Applications

- Power Plants
- Chemical Plants
- Cement Plants
- Pulp Plants
- Metal Working
- Mining
- Technical Services
- Engineering
- Consulting
- Commercial / Institutional



Commercial Opportunities

- Systems to monitor particulate material. Specific regulations — related to particulate material levels— apply to older automobiles (non-catalytic converter), chimneys, and heavy industry. As particulate levels escalate, less sources of pollution (old cars, chimneys, and heavy industry) are allowed to be active.
- Automotive Emission Control Technology, especially related to converting automobiles to natural gas. For details: www.gasco.cl
- Air filters for:
 - Industrial, commercial, and institutional buildings
 - Filters that not only capture but also kill microorganisms
 - Ultra-pure environments such as semiconductor plants, there is a need for filters that do not emit trace compounds such as boron
 - Absorption or destruction of gaseous pollutants equipment
 - Nitrogen oxide control products
 - Equipment for absorption and scrubbing of discharges from chemical plants, pulp mills and other industrial pollution sources
 - New systems using thermal destruction
 - Technical services, engineering, and consulting

Other Resources

- USDOC International Trade Specialist: Lana Lennberg: Lana.Lennberg@mail.doc.gov
- USDOC International Trade Specialist: Erica Chavez: Erica.chavez@mail.doc.gov
- CONAMA, National Environmental Commission, www.conama.cl
- SESMA, Environmental Health Service, www.sesma.cl
- AEPA, Environmental Association of Professional Workers and Companies, www.aepa.cl

CONTACT US

We hope that you find this information useful. If you would like further information, please contact Issabel.Valenzuela@mail.doc.gov, the CS Santiago Environmental Specialist. Visit our website (www.buyusa.gov/chile) to discover other commercial opportunities in Chile. (February, 2004)

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